

ARTICLE APPEARED
ON PAGE 8-AWASHINGTON TIMES
3 December 1986

Iranian played U.S., Israel from both ends on arms deal

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THE WASHINGTON TIMES

A key Iranian middleman in the secret Iran arms deal was an agent of the Iranian government who successfully "stung" the United States for major arms supplies on the pretext of gaining the release of leading CIA analyst William Buckley, sources have told The Washington Times.

Manucher Ghorbanifar, a wealthy Iranian arms dealer, had played a central role in Israeli arms deals with Iran. He was brought into the U.S.-Iran arms negotiations in late April 1985 at the initiative of his friend and business associate, Saudi billionaire Adnan Khashoggi.

Previously, in early 1985, then Israeli Prime Minister Shimon Peres contacted his old friend Yaakov Nimrodi, the London-based Israeli arms dealer who served for 10 years as Israeli military attache in Tehran before the Iranian revolution.

Mr. Nimrodi brought Mr. Khashoggi, with whom he had close connections, into the negotiations. A meeting was then convened in Geneva in May 1985 with both men and Mr. Ghorbanifar.

The month before the May meeting, Mr. Khashoggi had been hurt financially by the overthrow of his friend President Jaafar Nimieri in the Sudan. Mr. Khashoggi had enormous interests in the Sudan and had been the moving force in the Jongli canal irrigation scheme to make the Sudan the breadbasket of the Middle East. The Sudan setback may have increased his interest in setting a new major international deal.

Mr. Ghorbanifar had worked for Israeli intelligence before the fall of the shah, sources said. After the Ayatollah Ruhollah Khomeini's Islamic Revolution in January 1979, he was involved in a coup plot against the new regime, which was uncovered. Many were executed as a result, but Mr. Ghorbanifar escaped because he was abroad at the time, they said.

However, the sources said, the Iranian authorities had seized some of Mr. Ghorbanifar's relatives, and were thus able to "turn" him so that from then on he worked on behalf of the regime.

The initial purpose of the arms deal negotiations was to ransom CIA

Beirut station chief William Buckley, who was kidnapped by Islamic Jihad terrorists off the streets of Beirut on March 16, 1984.

Mr. Buckley was the CIA's leading terrorism and Middle East affairs analyst, and had been charged with rebuilding the agency's Lebanon operations after its leading experts on the region had been murdered in a suicide truck-bomb attack on the Beirut Embassy in April 1983.

The CIA reportedly spent a fortune unsuccessfully trying to trace and rescue Mr. Buckley, but in April 1985 the London-based Shi'ite Moslem newsletter Al-Taqrir, which has excellent contacts in Tehran, re-

ported that he had been secretly flown to Iran and held near the holy city of Qom, where he was tortured to make him reveal CIA secrets.

Mr. Ghorbanifar reportedly dangled before Messrs. Khashoggi and Nimrodi the possibility that he could get Mr. Buckley out, the sources said. But there was a price to pay. The Iranian arms dealer, secretly working for the Khomeini government, turned over to his Israeli contacts Iran's shopping list of military hardware, and at the top of the list were U.S. TOW anti-tank missiles.

"No mention of any moderate factions in Iran here," one informed source said. "They were faced with Khomeini's own shopping list."

A second meeting was held in Paris in May 1985. In addition to Messrs. Ghorbanifar, Nimrodi and Khashoggi, Israeli Foreign Ministry Deputy Director General David Kimche, a former deputy director of the Mossad secret service, and Israel Aircraft Industries Chairman Al Schwimmer also attended. Former National Security Adviser Robert McFarlane monitored the proceedings from Washington.

The meeting quickly confirmed to the participants' satisfaction that Mr. Ghorbanifar had excellent contacts in Tehran, and gave the green light to go ahead with the deal.

It was at this stage that retired U.S. Air Force Gen. Richard Secord became involved, apparently at the instigation of Lt. Col. Oliver North of the National Security Council. Approximately 600 TOWs were then shipped to Israel and sent on to Iran.

Mr. McFarlane reportedly was concerned about Israeli reports that the Soviet Union was making progress in its relations with the Iranian regime. In August 1985, Mr. Peres flew to Washington and told Mr. McFarlane that Mr. Ghorbanifar had made contact with Iranian parliament (Majlis) Speaker Ali-Akbar Hashemi Rafsanjani. The Israelis then reportedly believed that in return for a shipment of arms, all the U.S. hostages would be released.

The next major "arms deal summit," the sources said, came on Sept. 14, 1985 in Hamburg, West Germany. The Israelis and Mr. Khashoggi were reportedly angry at the Iranians because no U.S. hostages had been released, despite the first TOW shipment. Mr. Ghorbanifar spoke by telephone from the meeting to Iranian Prime Minister Mir-Hussein Musavi, the sources said.

At one point in the meeting, they said, the exchanges became so heated that Mr. Nimrodi grabbed the telephone from Mr. Ghorbanifar and — in perfect Farsi — talked directly to Mr. Musavi.

As a result of the meeting, the sources said, another 500 U.S. TOWs were shipped into Iran, and a hostage, the Rev. Benjamin Weir, was freed.

Mr. Nimrodi told the Tel Aviv daily Ha'aretz this week that after Mr. Weir's release he and his associates were requested to stop handling the

issue. The implication is that the request was made by the Israeli government.

Israeli Cabinet Secretary Eliakim Rubenstein said this week that everything Israel had done in the negotiations had been in accordance with requests from the U.S. government "through authorized spokesmen."

By the time Mr. Weir was released, Mr. Buckley had died, according to some reports as early as May 1985. He reportedly had been returned by his Iranian captors to Islamic Jihad, and had died of his injuries and lack of medical attention in or around Beirut.

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Mr. Buckley's death appears to have had a sobering effect on all the parties concerned in the hostage drama. Living conditions for the hostages in Lebanon apparently improved afterward, including the provision of medical treatment.

By the end of 1985, Mr. Ghorbanifar apparently was completely cut out from the negotiations, the sources said. However, according to a report in The New York Times on Sunday, he sent two checks to Mr. Khashoggi totaling \$5 million in 1986, and another \$12 million was deposited that year by him at the Monte Carlo branch of the Bank of Credit and Commerce International, a bank tied to former top Saudi officials.

The close links of Mr. Ghorbanifar to the Iranian government suggest that Iran's leaders were in on the "sting" from the very beginning as an operation to gain the advanced U.S. weaponry they needed.

The links also suggest that reports of increasing Saudi-Iranian cooperation over the past 15 months are well-founded, and that both Mr. Khashoggi and Mr. Ghorbanifar were acting as unofficial "cutouts" serving their country's interests.

The Saudis would have been motivated by a desire to further their relationship with the Reagan administration, and to open their own channels to Iran.

The reported involvement of Iranian Prime Minister Musavi in the negotiations casts doubt over the rationale that the U.S. operatives involved were trying to build their links to a presumed moderate faction in Iran. Mr. Musavi and President Sayed Ali Khamenei have been labeled as more to the left, and unceasingly anti-U.S., by Western experts.

In December 1985, about the time Mr. McFarlane resigned as national security adviser, he reportedly decided that the whole connection was too unreliable, and broke off his connections. He apparently did not trust either Mr. Ghorbanifar or Mr. Rafsanjani.

However, in January, President Reagan reportedly asked Mr. McFarlane to resurrect his links to secure the release of the hostages. According to sources close to Mr. McFarlane, he reluctantly did so.